

OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF READ & STEVENS, INC.
FOR AN ADMINISTRATIVE ORDER APPROVING AN
UNORTHODOX GAS WELL LOCATION, BURTON FLATS
MORROW GAS POOL, EDDY COUNTY, NEW MEXICO

NSL-851

104F

Due May 30

A P P L I C A T I O N

COMES NOW, Read & Stevens, Inc. and applies to the Oil Conservation Commission of the State of New Mexico for an administrative order approving an unorthodox gas well location designated the Read & Stevens #1 Hissom-State Com. located 660 feet from the South line and 660 feet from the West line of Section 23, Township 21 South, Range 27 East, Burton Flats Morrow Gas Pool, Eddy County, New Mexico, as an exception to the field rules of said Pool. Said well is a re-location and in support thereof Applicant would show the Commission:

1. Applicant is the owner of the right to drill for, develop and produce from the Pennsylvanian formation in S/2 of Section 23, above Township and Range and plans to drill to an approximate depth of 11,900.
2. Enclosed are three copies of a plat surrounding the area of the proposed location, showing the well site in red and the pro-ration unit in yellow.
3. The J. M. Huber #1 Humble-State was originally drilled to the Strawn oil formation at a T. D. of 10,652 feet and it was completed as a dry hole. Operator plans to re-enter said well and deepen it to the Morrow gas zone for which the standard location in the pro-ration unit would ordinarily be one location east or one location northeast of the proposed location.
4. Also attached hereto is an ownership take-off plat showing ownership of all leases within one mile of Section 23 which includes offset operators.
5. Operator has mailed certified letters to all offset operators advising them of this application for administrative approval of unorthodox location.

WHEREFORE Applicant requests that this application for administrative order be approved upon the passage of twenty days from date if no offset operator contests such application.



Respectfully submitted,

READ & STEVENS, INC.

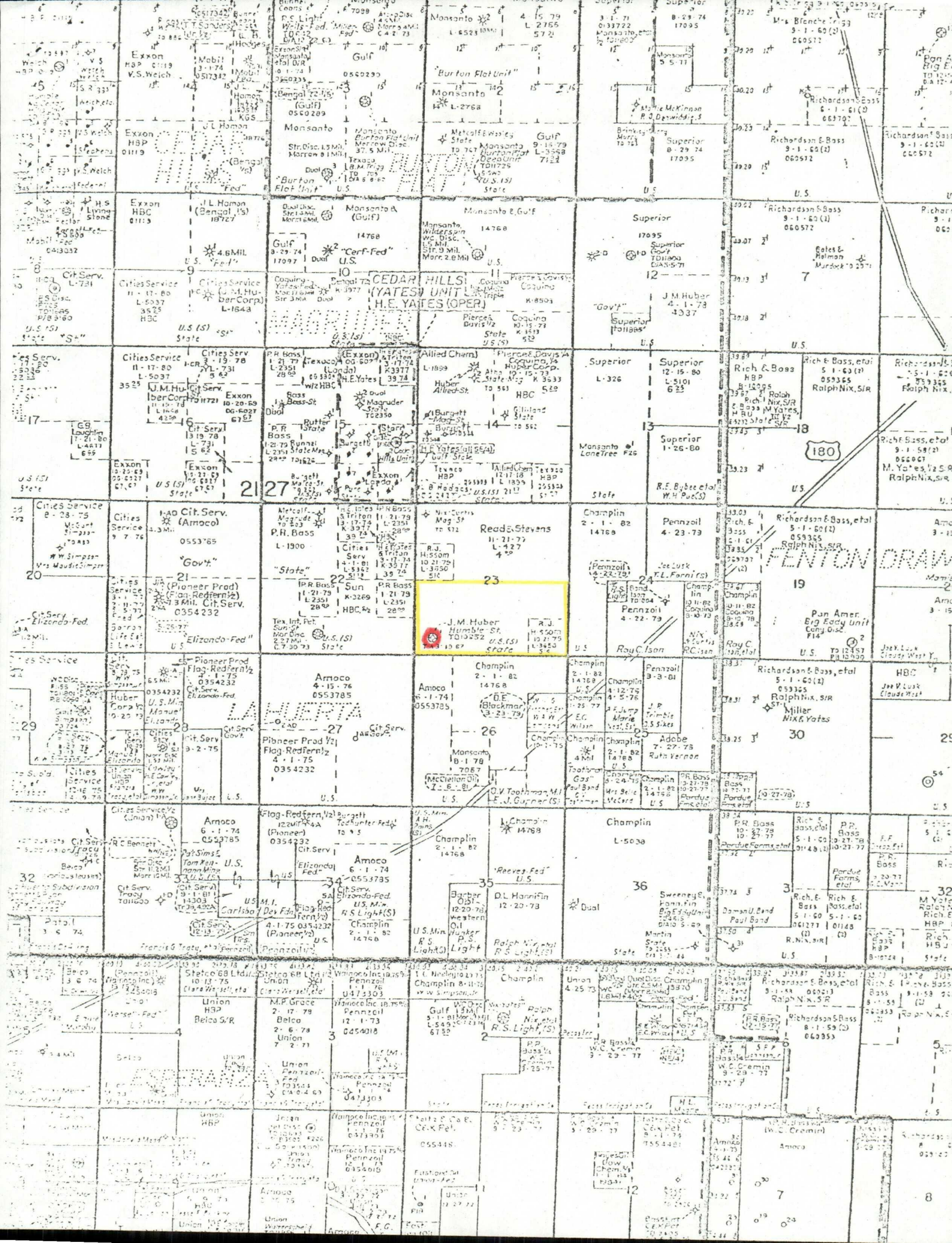
By 

DONALD G. STEVENS

P.O. Box 1797

Santa Fe, New Mexico 87501

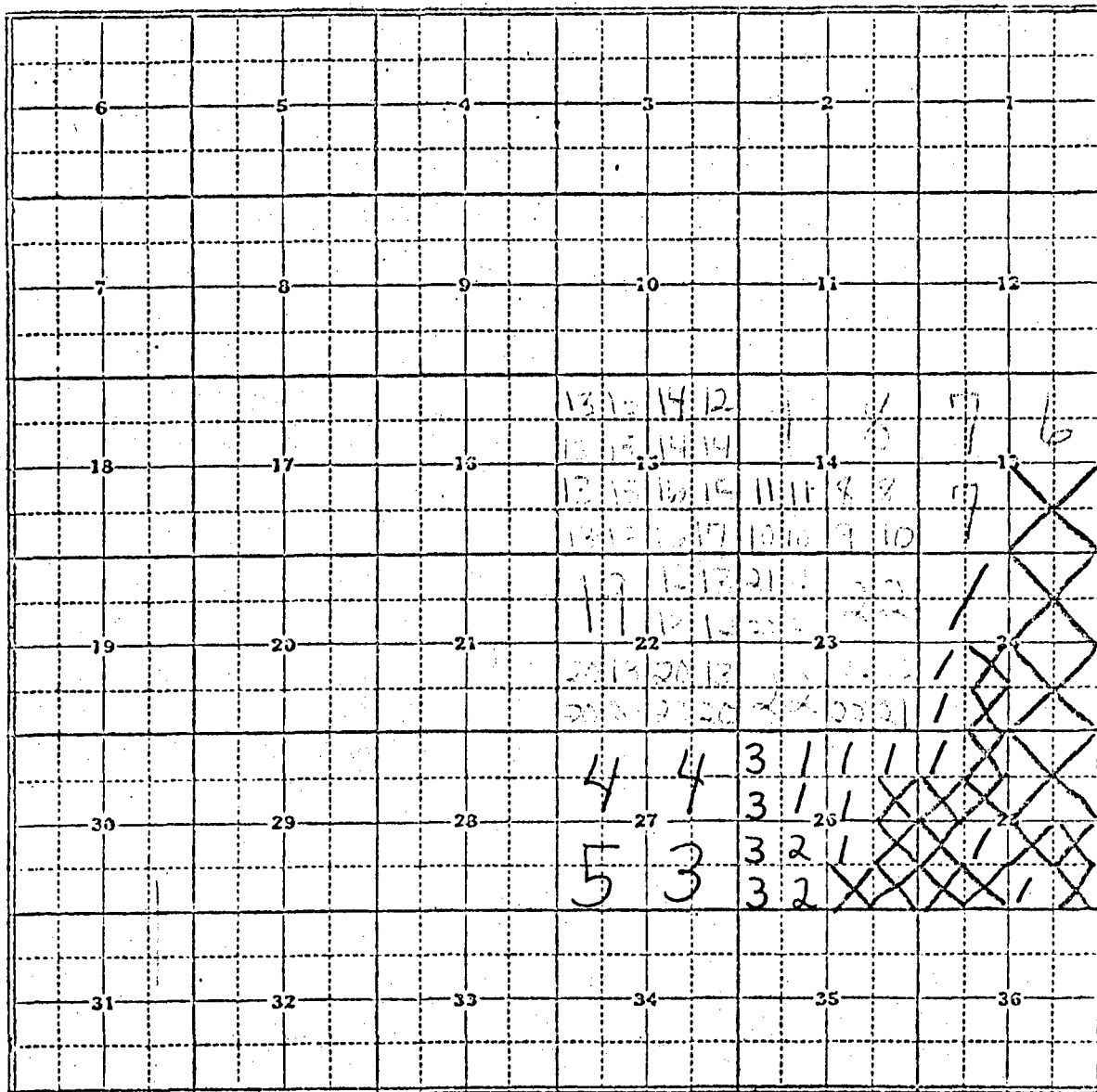
ATTORNEY FOR APPLICANT



SANTA FE, NEW MEXICO 87501

April 26, 1977

Blue . Fee Land



- | | | | |
|-----|--------------|---|-------------|
| 1. | NM-14768-A | Champlin Petroleum Co., Midland, Texas | L- H.B.P. |
| 2. | NM-7067 | Monsanto Co., Midland, Texas | L- 8-1-68 |
| 3. | NM-0553785 | Amoco Production Co. | L- H.B.P. |
| 4. | NM-0553785-A | Amoco Production Co. | L- H.B.P. |
| 5. | NM-0354232 | Flag-Redfern Oil Co. & Pioneer Production Corp. | L- H.B.P. |
| 6. | L-5101 | The Superior Oil Co. | L- 12-15-70 |
| 7. | L-326-1 | The Superior Oil Co. | L- 10-17-67 |
| 8. | K-3633-2 | J.M. Huber Corp. | L- H.B.P. |
| 9. | L-1899 | Allied Chemical Corp. | L- 12-17-68 |
| 10. | OG-5809 | Texaco Inc. | L- H.B.P. |
| 11. | K-3633 | Donald B. Anderson, Roswell, New Mexico | L- H.B.P. |
| 12. | K-3977-4 | Harvey E. Yates, et al, Albuquerque, New Mexico | L- H.B.P. |

13.	L-2351	Perry R. Bass	L- 1-21-69
14.	OG-6027	Exxon	L- H.B.P.
15.	OG-5809	Texaco Inc.	L- H.B.P.
16.	OG-2426	Exxon	L- H.B.P.
17.	OG-2427	Exxon	L- H.B.P.
18.	L-5362	Cities Service Oil Co.	L- 4-1-71
19.	L-1900	Perry R. Bass	L- 12-17-68
20.	L-3269	Sun Oil Co.	L- H.B.P.
21.	L-3650	R. J. Hissom, Midland, Texas	L- 10-21-69
22.	L-427-1	Read and Stevens	L- 11-21-67

Dockets Nos. 21-77 and 22-77 are tentatively set for hearing on June 22 and July 6, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 8, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5942: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 1115 of the Commission Rules and Regulations to provide for the reporting of salt water disposal, secondary recovery, and other injection well volumes and pressures on Commission Form C-115, Operator's Monthly Report. Further to be considered will be the amendment of Form C-115 and the deletion of Rule 1120.

(Please see two potential configurations of Form C-115 enclosed)

CASE 5943: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider adoption of the following:

1. Rule 407, requiring notice to the Commission by the operator of the disconnection of any gas wells from intrastate transportation facilities.
2. Rule 1130, setting forth the requirements of the notice of disconnection.
3. Form C-130, NOTICE OF DISCONNECTION, requiring notice of the reason(s) for disconnection.

CASE 5920: (Continued from May 11, 1977 Examiner Hearing)

Application of New Mexico Salt Water Disposal Co., Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from approximately 13,000 feet to 13,500 feet in its Sinclair State Lea Well No. 1, located in Unit M of Section 1, Township 11 South, Range 34 East, Sand Springs-Devonian Pool, Lea County, New Mexico.

CASE 5944: Application of Read & Stevens, Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Hissom-State Com Well No. 1 located in Unit M of Section 23, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 23 to be dedicated to the well.

CASE 5945: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Pictured Cliffs and Blanco Mesaverde production in the wellbore of its Blanco Well No. 15 located in Unit K of Section 36, Township 28 North, Range 8 West, San Juan County, New Mexico.

CASE 5946: Application of Amoco Production Company for a dual completion and a non-standard proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Swearingen "C" Well No. 1 located in Unit N of Section 18, Township 5 South, Range 33 East, Roosevelt County, New Mexico, to produce gas from the Pennsylvanian and oil from the Fusselman formations. Applicant also seeks approval for a 160-acre non-standard Pennsylvanian gas proration unit comprising the SW/4 of said Section 18.

CASE 5947: Application of Texaco Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Central Vacuum Unit Area comprising 3046 acres, more or less, of State and fee lands in Sections 25, 30, 31 and 36, Township 17 South, Range 35 East, and Sections 5, 7, and 12, Township 18 South, Range 35 East, Lea County, New Mexico.

CASE 5948: Application of Texaco Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Central Vacuum Unit Area by the injection of water into the Grayburg-San Andres formation through 54 wells, Vacuum Pool, Lea County, New Mexico.

CASE 5949: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying Section 34, Township 24 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 5950: Application of Joe Don Cook for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of produced salt water from his State Well No. 1, located in Unit J of Section 2, Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico, into an earthen evaporation pit in said Section 2.
- CASE 5951: Application of Odessa Natural Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 32, Township 24 North, Range 3 West, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5952: Application of Hudson & Hudson for unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of 14 oil wells to be drilled at the following locations:
- 25 feet from the North and East lines of Units B, C, D, E, F, G, J, K, N, and O; and 25 feet from the North line and 330 feet from the East line of Units A, H, I, and P, all in Section 25, Township 17 South, Range 31 East, Maljamar Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 5953: Application of Rice Engineering & Operating, Inc., for amendment of Order No. R-5384, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5384 to extend the injection interval in its Hobbs Salt Water Disposal Well No. 16 located in Unit P of Section 16, Township 19 South, Range 38 East, Lea County, New Mexico, to include the total open-hole section from 4176 feet to 10,008 feet.
- CASE 5954: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Breech Well No. 368 located in Unit I of Section 23, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5955: Application of Penroc Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Foxie-Federal Well No. 2 to be drilled in the center of Unit O of Section 18, Township 20 South, Range 28 East, Eddy County, New Mexico, the E/2 of said Section 18 to be dedicated to the well.
- CASE 5956: Application of Continental Oil Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the E/2 NE/4, NW/4 NE/4, and NE/4 SE/4 of Section 27, Township 20 South, Range 38 East, Warren-Tubb Gas Pool, Lea County, New Mexico, to be dedicated to its Warren Unit Well No. 42 located in Unit I of said Section 27.
- CASE 5957: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Chacra and South Blanco-Pictured Cliffs production in the wellbores of its AXI Apache "J" Wells Nos. 9 and 11, located in Units O and A, respectively, of Section 6, and Wells Nos. 10 and 12, located in Units A and K of Section 5, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5958: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gonzales-Mesaverde and Otero-Chacra production in the wellbores of its AXI Apache "J" Wells Nos. 18, 23, and 24 located in Units A, D, and P of Section 8; Nos. 19 and 22 in Units D and L of Section 6; Nos. 20 and 21, in Units C and I of Section 5; and No. 25 in Unit A of Section 7, all in Township 25 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 5959: In the matter of the application of the Oil Conservation Commission on its own motion to consider the creation, extension, and abolishment of certain pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:
- a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the North Cato-San Andres Pool. The discovery well is the Cleary Petroleum Corporation Federal "15" Well No. 1 located in Unit M of Section 15, Township 7 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
Section 15: SW/4

b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Chaveroo-San Andres Pool. The discovery well is the Champlin Petroleum Company Concoco "14" State Well No. 1 located in Unit D of Section 14, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 14: NW/4

c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Denton-Pennsylvanian Pool. The discovery well is Polaris Production Company Buckley A Well No. 3 located in Unit L of Section 25, Township 14 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM
Section 25: SW/4

d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the North Monument-Abo Pool. The discovery well is the Gulf Oil Corporation Monument Abo Well No. 1 located in Unit G of Section 14, Township 19 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 14: NE/4

e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the East Red Tank-Atoka Gas Pool. The discovery well is the Gulf Oil Corporation Covington "A" Federal Well No. 1 located in Unit C of Section 25, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 25: N/2

f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Winchester Upper Pennsylvanian Gas Pool. The discovery well is the R. C. Bennett & J. C. Ryan Exxon State Well No. 1 located in Unit N of Section 25, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 25: All

g) ABOLISH the Leonard-Seven Rivers Pool in Lea County, New Mexico, described as:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 11: All
Section 12: All

h) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 27: N/2 NE/4
Section 28: N/2 SE/4

i) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 26: SW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 18: NE/4

j) EXTEND the Bluit-Wolfcamp Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 5: E/2

k) EXTEND the South Brunson-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 30: SE/4
Section 31: NE/4
Section 32: NW/4

- 1) EXTEND the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 20: N/2

- m) EXTEND the West Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 6: Lots 3, 4, 5, 6, 11, 12, 13, 14
& SW/4

- n) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 34: S/2

- o) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 6: NW/4

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 7: NE/4

- p) EXTEND the Daugherty-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 2: NW/4 SW/4

- q) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: S/2 NW/4
Section 18: NE/4
Section 21: SW/4

- r) EXTEND the South Empire-Wolfcamp Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 32: S/2 NW/4

- s) EXTEND the South Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 6: NW/4

- t) EXTEND the High Hope-Abo Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 23 EAST, NMPM
Section 14: E/2
Section 23: N/2

- u) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 27: SE/4 SE/4
Section 34: NE/4 NE/4

- v) EXTEND the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 22: N/2

- w) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 15: W/2
Section 22: W/2

- x) EXTEND the South Leonard-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 11: SE/4
Section 14: NE/4

- y) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 13: W/2

- z) EXTEND the Lovington-Queen Gas Pool in Lea County, New Mexico, to include therein :

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 11: SE/4
Section 14: NE/4

- aa) EXTEND the East Lusk-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 22: W/2
Section 27: NW/4

- bb) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 27: All

- cc) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 14: SE/4

- dd) EXTEND the North Morton-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 36: NW/4

- ee) EXTEND the Penasco Draw-San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 29: N/2

- ff) EXTEND the Red Lake-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2 SE/4

- gg) EXTEND the Revelation-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 4: S/2

- hh) EXTEND the Vest Ranch-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 32: W/2

- ii) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 11: NW/4

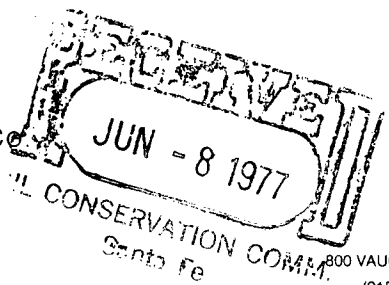
- jj) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 29: SW/4
Section 30: SE/4

- kk) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 26: SW/4

BASS ENTERPRISES PRODUCTION CO.
DIVISION EXPLORATION AND PRODUCTION OFFICES
P. O. BOX 2760
MIDLAND, TEXAS 79702



800 VAUGHN BUILDING
(915) 684-5723

June 6, 1977

RE: Case 5944
Read & Stevens, Inc.
Hissom-State Com. Well No. 1
Unit M, Sec. 23, T-21-S, R-27-E
Eddy County, New Mexico

Mr. Joe D. Ramey
State Petroleum Engineer
Secretary-Director, Oil Conservation Comm.
P. O. Box 2088
Santa Fe, New Mexico 87501

*file in NSL-851
w/ copy in
Case # 5944*

Dear Mr. Ramey:

Perry R. Bass wishes to withdraw its objection to the referenced unorthodox Morrow gas well location. We had filed an objection to the location with our letter of May 25, 1977. The case is scheduled for Examiner Hearing Wednesday, June 8, 1977. Our desire to withdraw the objection was related to Mr. Daniel S. Nutter by telephone conversation on this date.

Yours very truly,

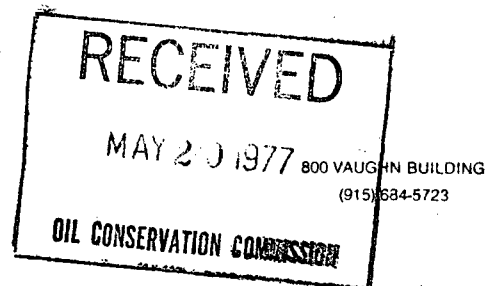
George Lee
For J. E. Pullig
Division Production Manager

JEP:ELW/jc

11011

BASS ENTERPRISES PRODUCTION CO.
DIVISION EXPLORATION AND PRODUCTION OFFICES
P. O. BOX 2760
MIDLAND, TEXAS 79702

May 17, 1977



RE: Read & Stevens Inc.
#1 LaHuerta
SW/4 SW/4 Sec 23, T-21-S, R-37-E
Eddy County, New Mexico

Read & Stevens, Inc.
P.O. Box 2126
Roswell, New Mexico 88201

ATTN: Mr. Joe Wigley

Gentlemen:

Perry R. Bass objects to your referenced unorthodox Morrow gas well location. It is offsetting production in the Burton Flats Field, which is a competitive reservoir. We feel that Perry R. Bass and other working interest owners in the field would suffer drainage if a producing well were completed at the proposed location. Also, approval of the proposed location would provide an advantage over operators in the field who drilled wells on orthodox locations.

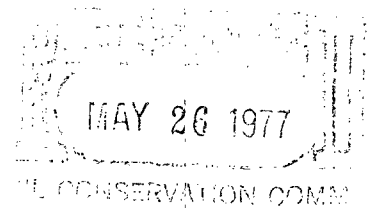
Yours very truly,


J. E. Pullig
Division Production Manager

JEP:ELW/gp

XC: NMOCC ✓
Frank Millet

BASS ENTERPRISES PRODUCTION CO.
DIVISION EXPLORATION AND PRODUCTION OFFICES
P. O. BOX 2760
MIDLAND, TEXAS 79702



800 VAUGHN BUILDING
(915) 684-5723

May 25, 1977

RE: Read & Stevens Inc.
#1 La Huerta
SW/4 SW/4 Sec 23, T21S, R27E
Eddy County, New Mexico
File: 800-FF (Burton Flats)

Mr. Joe D. Ramey
State Petroleum Engineer
Secretary-Director, Oil Conservation Comm.
P.O. Box 2088
Santa Fe, N. M. 87501

Dear Mr. Ramey:

Perry R. Bass objects to the referenced unorthodox Morrow gas well location which Read & Stevens proposes to drill. It is offsetting production in the Burton Flats Field, which is a competitive reservoir. Perry R. Bass and other working interest owners in the field would suffer drainage if a producing well were completed at the proposed location.

Yours very truly,


J. E. Pullig
Division Production Manager

JEP:ELW/gp



Case 5944

RECEIVED

MAY 20 1977

Amoco Production Information Commission

500 Jefferson Building
P.O. Box 3092
Houston, Texas 77001

J. M. Brown
Division Engineering
Manager

May 18, 1977

File: HHR-986.51NM-2227

Re: Unorthodox Location
Read & Stevens, Inc. No. 1 La Huerta
Burton Flat Morrow (Gas) Pool
Eddy County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Amoco Production Company has been advised of Read & Stevens intent to re-enter the Huber No. 1 Humble State, Unit M, Section 23, T-21-S, R-27-E, Eddy County, New Mexico and deepen approximately 1500 feet to test the Morrow. It is our understanding that this is an unorthodox location by Rule 2 of the special rules for Burton Flat Morrow (Gas) Pool.

Amoco has no objection to this unorthodox location, however, we reserve the right to take appropriate action if it is determined that this unorthodox location provides an unfair advantage to Read and Stevens.

Very truly yours,

JEP:sam

OIL CONSERVATION COMMISSION
Artesia DISTRICT



OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 5-17-77

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application ~~dated~~ received 5-10-77
for the Read + Stevens Hisson-State Com #1 - M 23-21-27
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approval upon receipt of waivers

Yours very truly,

W. A. Gressett